

OCR

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

This material contains information affecting the National Defense of the United States within the meaning of the Espionage Laws, Title 18, U.S.C. Secs. 793 and 794, the transmission or revelation of which in any manner to an unauthorized person is prohibited by law.

S-E-C-R-E-T

PROCESSING COPY 25X1

COUNTRY Hungary

REPORT

SUBJECT

State Control Center (AEK)

DATE DISTR.

27 NOV 1957

25X1

NO. PAGES

1

REQUIREMENT NO.

RD

DATE OF INFO.

PLACE & DATE AC

REFERENCES

25X1

SOURCE EVALUATIONS ARE DEFINITIVE. APPRAISAL OF CONTENT IS TENTATIVE.

25X1

four-page report concerning the organization, personnel and activities of the State Control Center (Allamos Ellenőrzési Központ - AEK) until 1950. The information can be described as outdated.

25X1

S-E-C-R-E-T

25X1

STATE	#X	ARMY	#X	NAVY	#X	AIR	#X	FBI		AEC				

(Note: Washington distribution indicated by "X"; Field distribution by "#".)

INFORMATION REPORT INFORMATION REPORT

SECRET

Page 1

[REDACTED] the goal of the AEK was economic inspection in all nationalized plants as well as inspection of official offices and military installations. In name, the inspection would remain limited to a mere inspection of bookkeeping, but in reality it went much further and the AEK actually

25X1

SECRET

Page 2

25X1

exercised a political control; ^{thus} ~~first~~ it was an extension of the AVH.

The central office of the AEK is located in Budapest at the address Nador-ut 36, ~~and it was located~~ in the immediate vicinity of the AVH office on the Arpad-ut. there were three or four hundred ~~employees.~~ ^{employees.} ~~people working there.~~ The ~~AEK's~~ ^{AEK's} ~~task~~ ^{was} to see to it that the plans worked out by the Central Planning Bureau were executed by the plants. The AEK was not ranged under a Ministry, but got its instructions directly from the Cabinet. Later the AEK became an independent Ministry and the abbreviation of the name of this installation is now AEM.

25X1

The principle section of the AEM was the Igazgatási Osztály (management section). This section is charged with the inspection of all other sections.

a woman was the chief of this section; this was

25X1

Mrs. HAZAIGYULANÉ. Also there was a section for every industry, as follows:

Heavy Industry
Light Industry
Trade
Agriculture
Finance
Traffic
Military Section
Personnel Section
Economic Section
Political Section
Household Service
Complaint Department

A few of the people who had important jobs are as follows: Árpád HÁZI, chairman of the AEK. Dr. VARGA, successor of HAZI as

25X1

chairman Jozsef SZABO, chief of the military section. Piroska SZABÓ (woman), for a short time chairman of the AEK. Major Karoly SIKLOSI, who was also chief of the military section for a while. Armand JOSZEF, chief of the economic section.

25X1

SECRET

25X1

page 2

Géza GAL, chief of the political section.

[redacted] the institute had a great deal of power, and [redacted] the leaders of the plants were very much afraid when the AEK inspections came along. Whenever there was something in the plant that did not please the inspecting officials of the AEK, the management of the plant/~~would~~ was accused of sabotage, and it ~~often~~^{then} happened that a director or a chief engineer was arrested. The officials of the AEK themselves had no executive capacity, but they often called in the help of the AVH. The AVH installations were obligated to give their cooperation. The inspecting AEK officials were provided with identifications with a yellow strip, and upon showing these, they got the cooperation of the AVH.

[redacted] a school for the purpose of becoming an AEK inspector [redacted] was housed in the former Ministry of Finance, where other plant schools were located. [redacted]

there were about 100 students divided into groups of 20. Every group had its own teacher, who gave instruction in all subjects. [redacted]

[redacted] lessons in bookkeeping, arithmetic, political economy, and Marxism and Leninism. [redacted] the director of the school was

Sandor GONDA. The training consisted of two courses; the first lasted for about six months and the second lasted for about eight months. [redacted]

25X1

Page Denied